



سازمان بورس و اوراق بهادار  
SECURITIES & EXCHANGE ORGANIZATION

**SECURITIES & EXCHANGE ORGANIZATION (SEO)**

***CAPITAL MARKET of IRAN***



CAPITAL MARKET  
REGULATORS FORUM  
COMCEC

# Task Force for Financial Literacy

26-27 September 2012, Turkey, Istanbul

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# **This Presentation Includes:**

Aspects of Financial Literacy

Characteristics of Iran's Capital Market

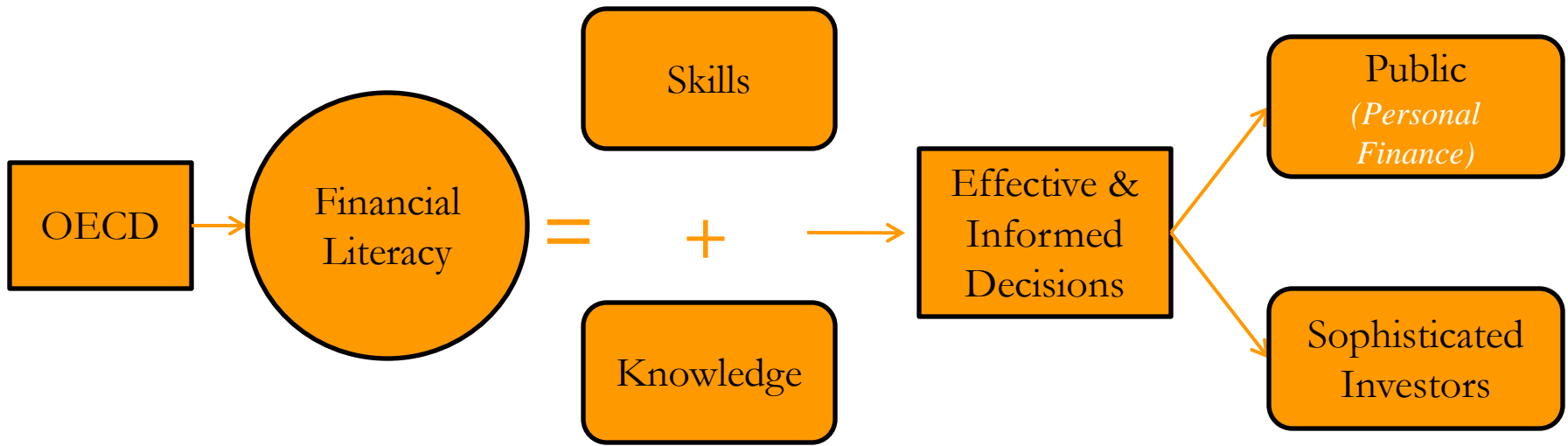
SEO Financial Literacy Experiences & Initiatives

Suggestion

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# Part 1: Aspects of Financial Literacy

Definition and Indices of Financial Literacy



**Financial  
Literacy**

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graph TD; A[Financial Literacy] --> B[Personal Finance]; B --> C[Basic Financial Knowledge]; C --- D[Numeracy]; C --- E[Saving]; C --- F[Inflation]; C --- G[Interest Rate]; C --- H[Value of Money]; C --- I[Retirement]; C --- J[Money Illusion];
```

**Personal  
Finance**

**Basic  
Financial  
Knowledge**

Numeracy

Saving

Inflation

Interest  
Rate

Value of  
Money

Retirement

Money  
Illusion

Financial  
Literacy



Sophisticated  
Investors



Advanced  
Financial  
Knowledge

Regulations

Risk  
Management

Portfolio  
Management

Derivatives

Islamic  
Products

Investment

## Findings of a survey in OECD

An international OECD study was published in late 2005 analysing financial literacy surveys in OECD countries. A selection of findings included:

1- In Australia, 67 percent of respondents indicated that they understood the concept of compound interest, yet when they were asked to solve a problem using the concept only 28 percent had a good level of understanding.

2- A British survey found that consumers do not actively seek out financial information. The information they do receive is acquired by chance, for example by picking up a pamphlet at a bank or having a chance talk with a bank employee.

Source: Hecklinger, Richard E. Deputy Secretary-General of the OECD speaking January 9, 2006 at The Smith Institute, London, England, New South Wales, accessed at June 5, 2006



## CONT.: Findings of a survey in OECD

- 3- A Canadian survey found that respondents considered choosing the right investments to be more stressful than going to the dentist.
- 4- A survey of Korean high-school students showed that they had failing scores - that is, they answered fewer than 60 percent of the questions correctly - on tests designed to measure their ability to choose and manage a credit card, their knowledge about saving and investing for retirement, and their awareness of risk and the importance of insuring against it.
- 5- A survey in the US found that four out of ten American workers are not saving for retirement.

## Governments Efforts to Improve Financial Literacy

The US Government established its “Financial Literacy and Education Commission” in 2003

The UK Government established the “Financial Literacy Foundation” in 2005

Establishment of the “Financial Literacy Foundation” was recommended In Australia in 2005

In March 2008, the OECD launched the “International Gateway for Financial Education”, which serves as a clearinghouse for financial education programs, information and research worldwide

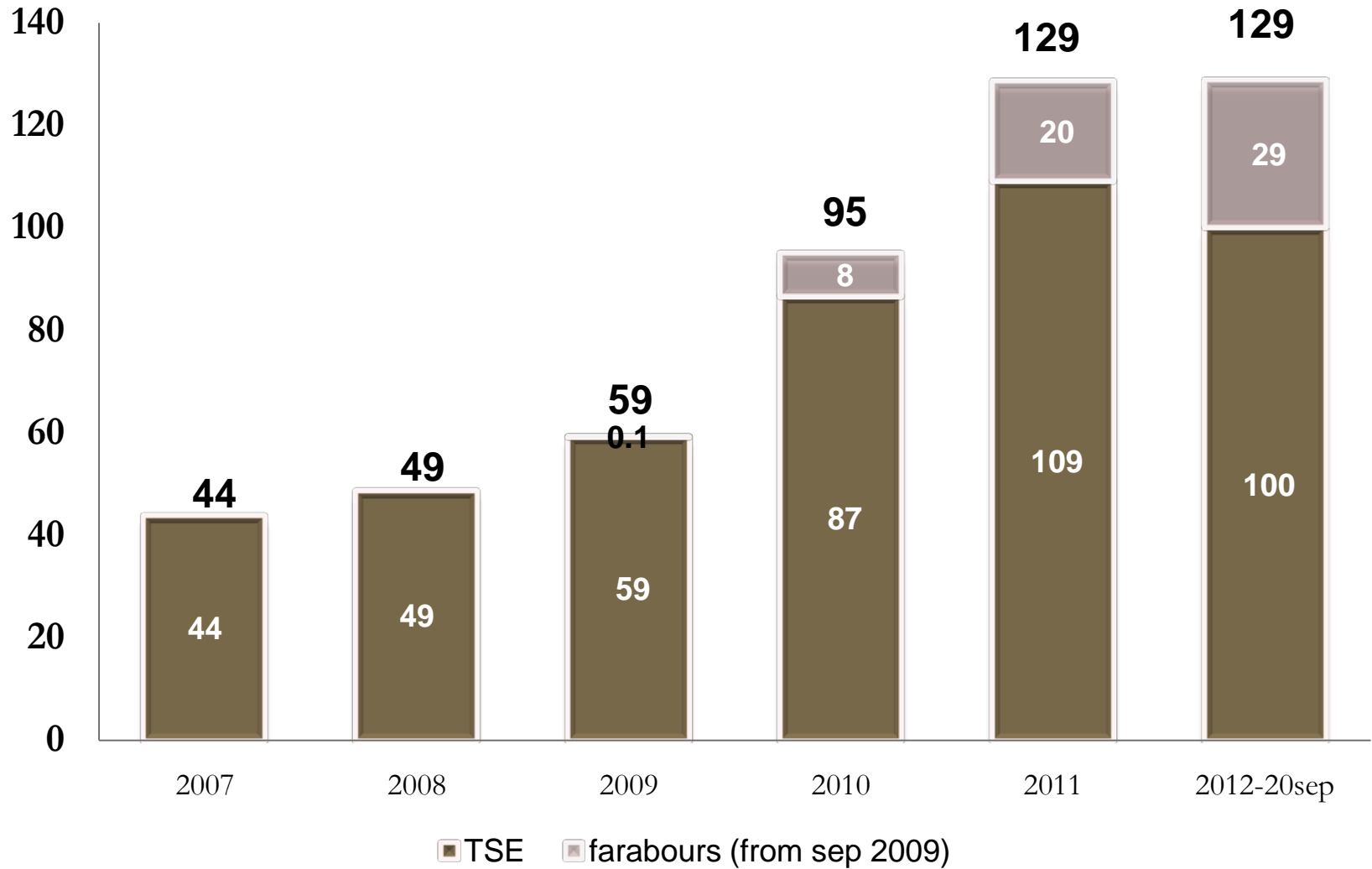
# Part 2: Characteristics of Iran's Capital Market

Market Cap

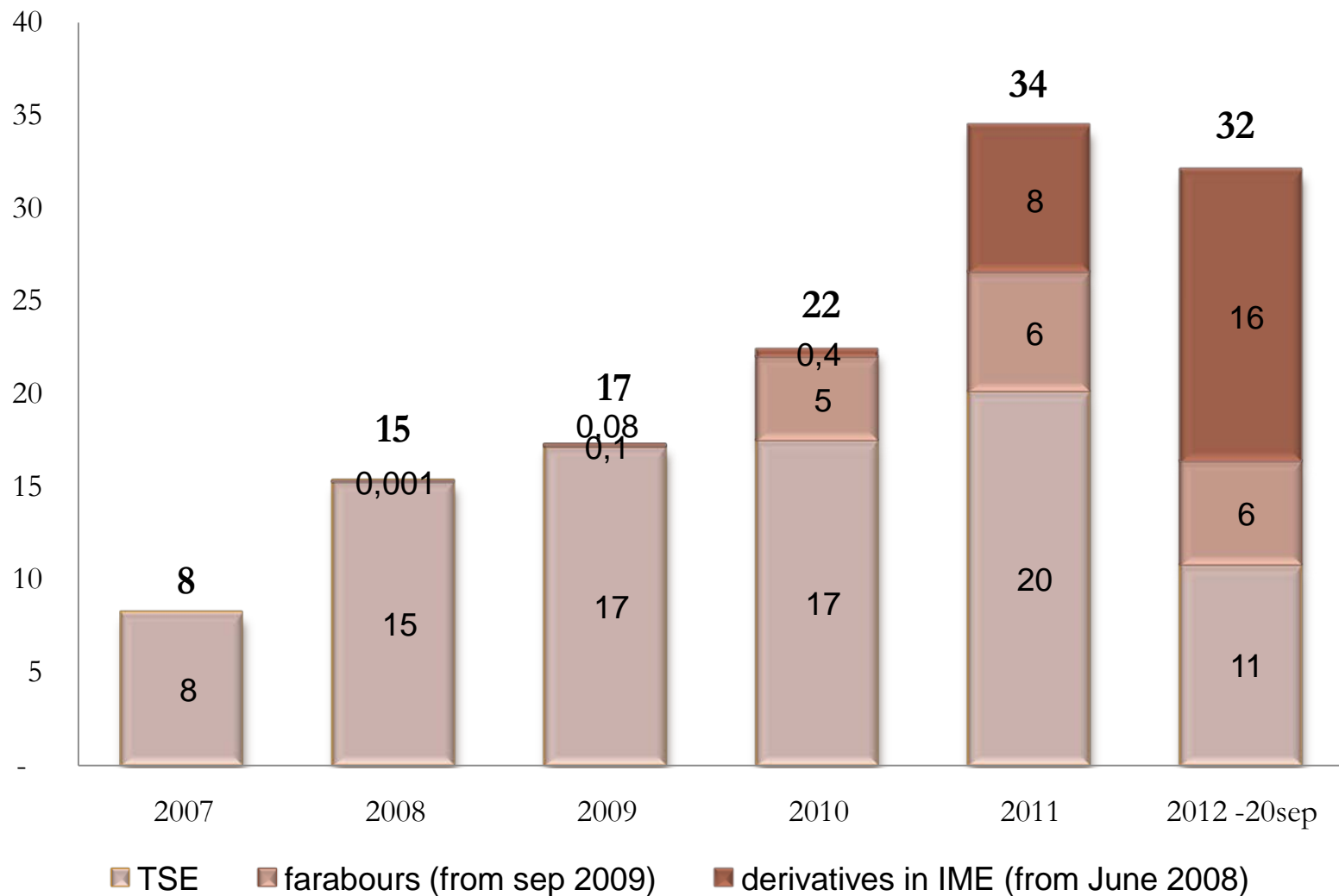
Transactions Value

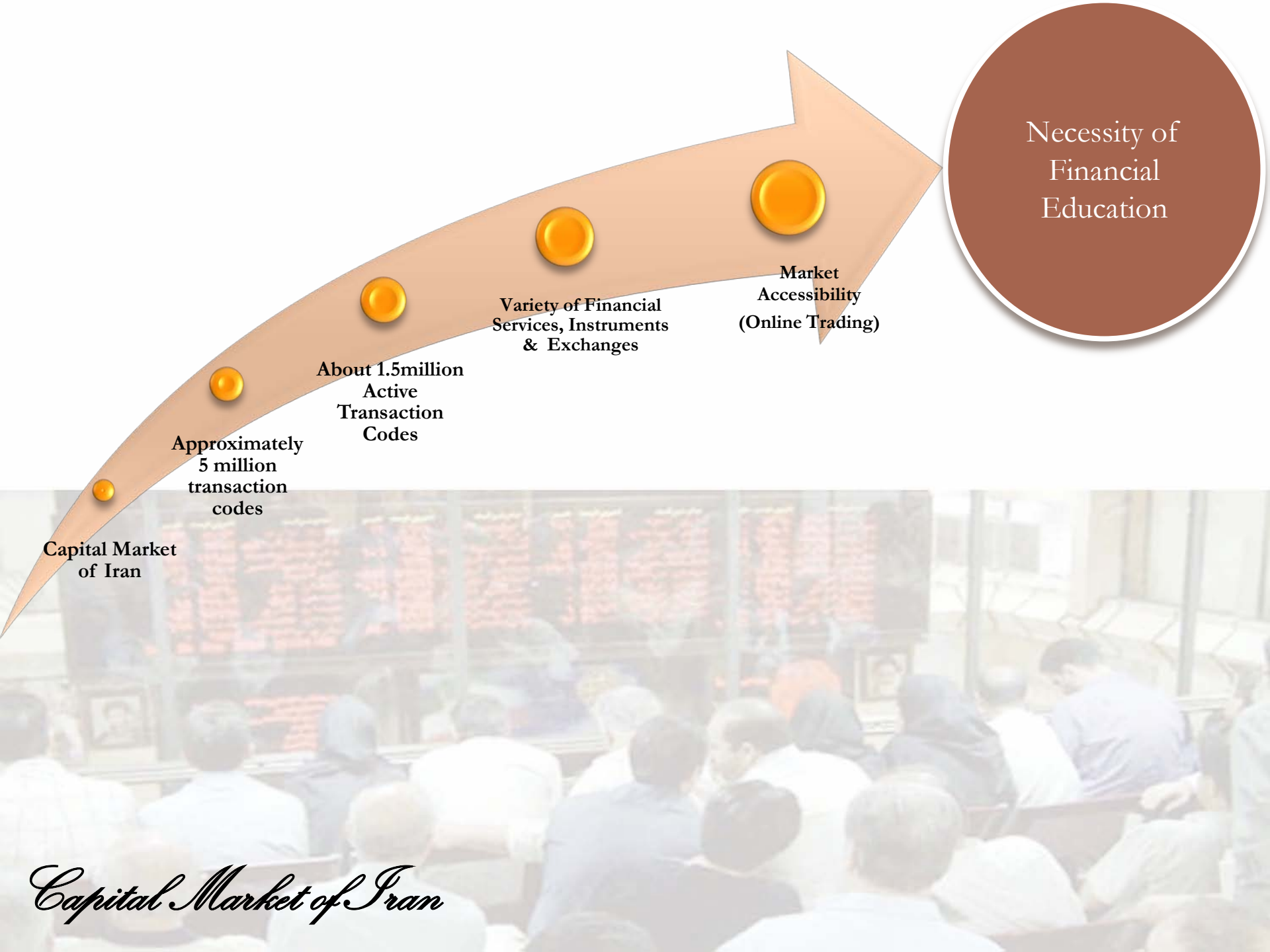
Opportunities and Necessity or Requirement of Financial Literacy

# Market Cap (Billion \$) including two exchanges



## Value of Share Trading (Billion \$) including all securities





Necessity of  
Financial  
Education

Market  
Accessibility  
(Online Trading)

Variety of Financial  
Services, Instruments  
& Exchanges

About 1.5million  
Active  
Transaction  
Codes

Approximately  
5 million  
transaction  
codes

Capital Market  
of Iran

*Capital Market of Iran*

# Public Ownership Regulations

Development of Public Ownership of Governmental and private Units  
(Act, 1975)

“Forth Development Planning Act, Article 6”, (Act, 2003)

“Ratification of General Policies of Article 44 of Constitution” (Act,  
2005)

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**PART 3: SEO  
FINANCIAL  
LITERACY  
EXPERIENCES  
AND INITIATIVES**





SECURITIES & EXCHANGE ORGANIZATION

THE REGULATORY & SUPERVISORY BODY IN CAPITAL MARKET

# SEO Instructions for Financial Literacy

- “Instruction of Definition and Endowment of Professional Certificate” Act, 2009
- “Instruction of Implementing Capital Market Training Courses” Act, 2012

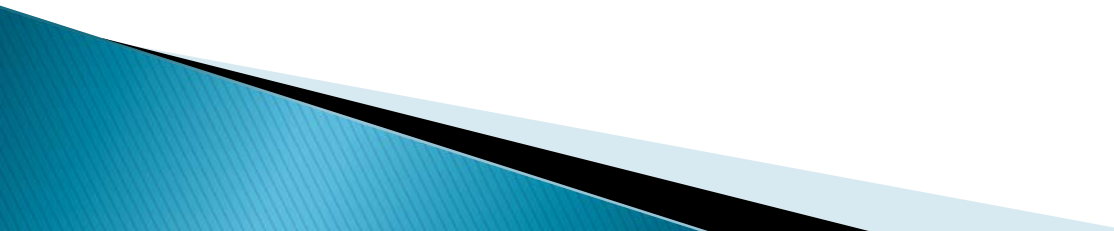
Information  
Dissemination  
& Services  
Company

Financial  
Literacy  
in SEO

Office of  
Professional  
Certificate  
Affairs

Deputy of  
Research,  
Development  
& Islamic  
Studies

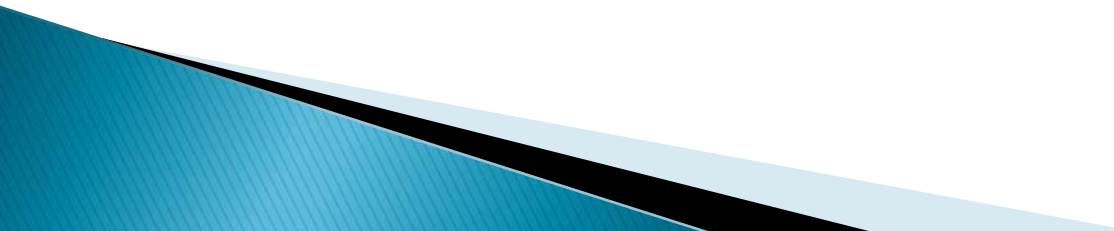
# Information Dissemination & Services Company

- ▶ Affiliated by SEO
  - ▶ Aims to Enhance Investing Culture in Financial assets
  - ▶ Its Slogan is: Know Stock Exchange with *Us*
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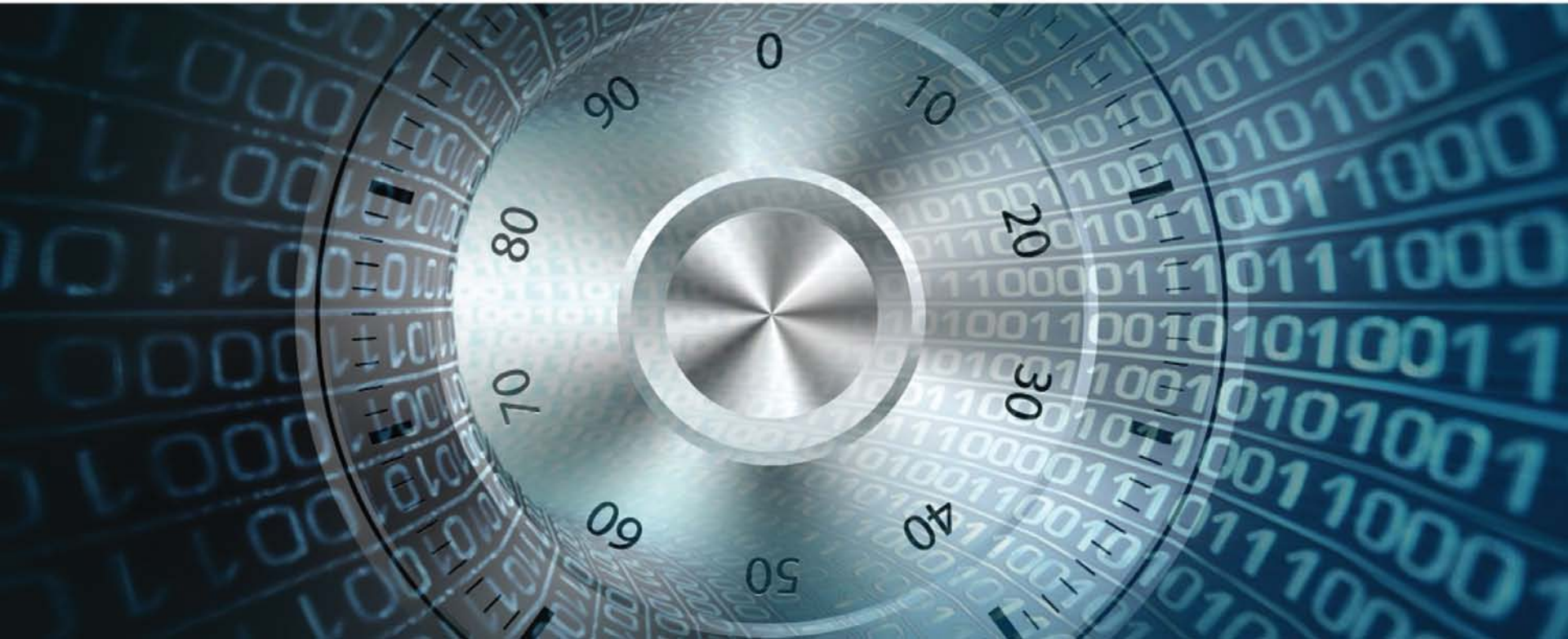
# Department of Research, Development & Islamic Studies

- ▶ A Department of SEO
  - ▶ Aims to Do Practical Research & Supporting Fundamental Researches in Securities Industry
  - ▶ Focuses on Islamic Related Issues Via Shari'ah Committee
  - ▶ Acts in Public Training & Literacy
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# Office of Professional Certificate Affairs

- ▶ Aims to Promote the Level of Analyze, Specialized Knowledge and Professional Competency of Capital Market Participants
  - ▶ Determining Professional Codes of Ethics
  - ▶ Providing a Data Base of Certificate Holders
  - ▶ Enhance the Level of Sophisticated Investors' Knowledge
- 

# Initiatives of Information Dissemination & Services Company (Process of Financial Literacy)



**WE  
TEACH  
YOU  
WAYS  
OF  
SUCCESS  
IN  
STOCK  
EXCHANGE**

# 1- Virtual Stock Exchange

Virtual Loss & Gain

Investing in Real Companies

Make Sense for Volatility



[www.irvex.ir](http://www.irvex.ir)



## 2- Publications



*Aims to become the Main Financial Source of Publications*

*5 books for Children and Teenagers*



*34 specialized Books*

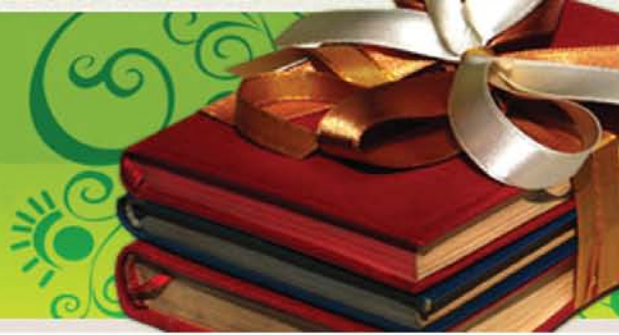


[www.bourseshop.ir](http://www.bourseshop.ir)

**Book Shop of SEO**



### **3- Production of Different Educational Packages**



Running free public education plan

65 Cartoons (Animations)

Advertisement about Investment in Capital Market in national TV channels

A Game for Teenagers (Sahm Avard)

2 Audio Books

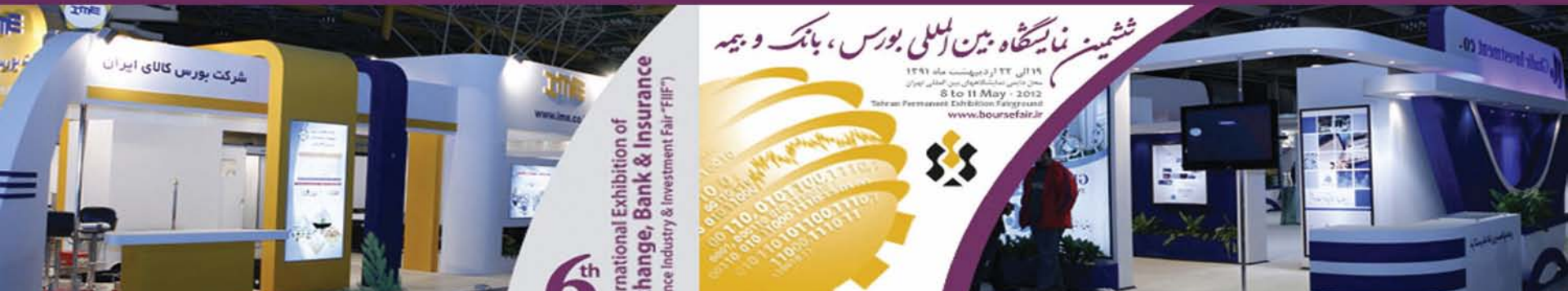
Stock Exchange radio Studio (114 Radio Plays)



# 4- 6<sup>th</sup> International Exhibition of Exchange, Bank & Insurance

(Finance Industry & Investment Fair "FIIF")

- Space: 1.3 Hectares
- Participated by 200 Domestic & International



*Information Dissemination &  
Services Company*

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graph TD; A[Information Dissemination & Services Company] --> B[Specialized Training Programs]; B --> C[In Service Training Courses for Organizations]; B --> D[MBA (Capital Market)];
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*Specialized Training  
Programs*

*In Service  
Training  
Courses for  
Organizations*

*MBA  
(Capital  
Market)*

## *5- Specialized Conferences & Seminars*

Development of Financing System in Iran

Responsibilities of Corporate managers in Capital Market

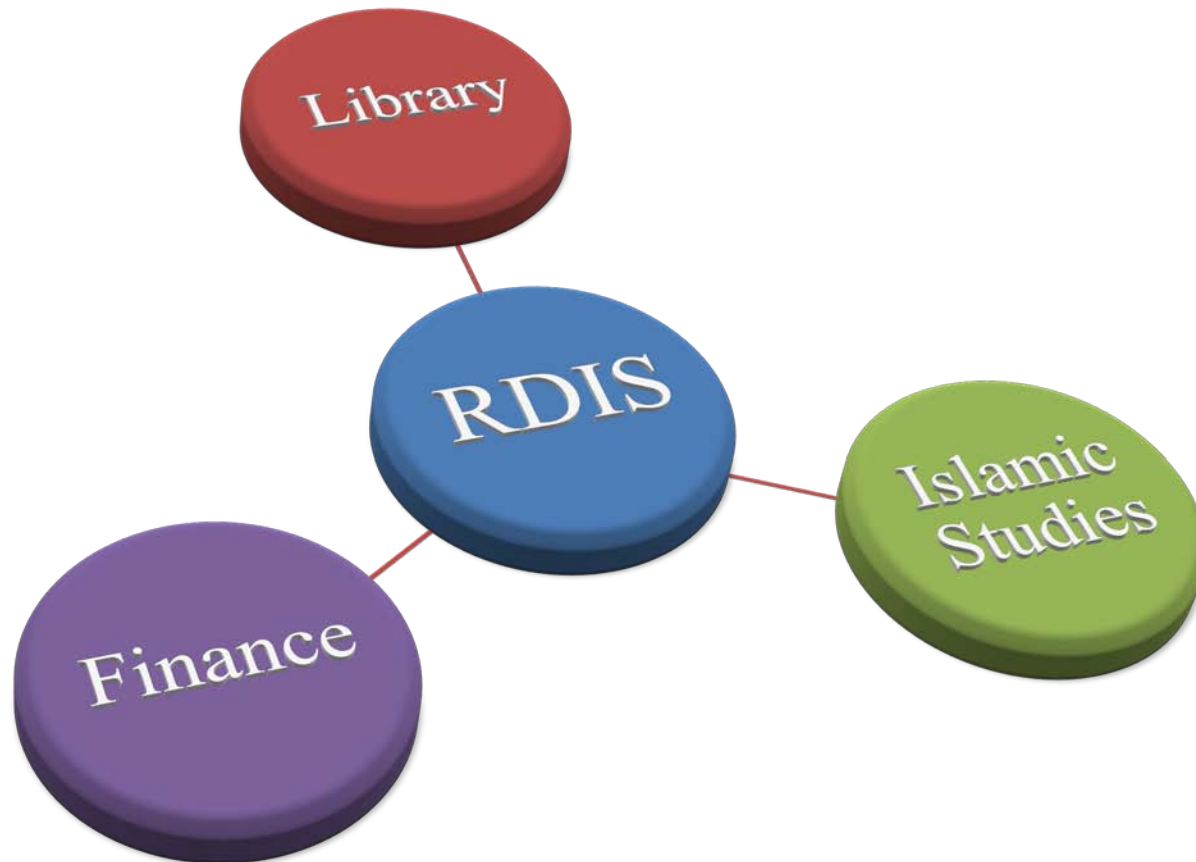
The Role of Capital Market in Finance

International Course on Islamic Capital Market

Seminar of Futures on Stock

Familiarity with Capital Market Professional Certificates





# ***RDIS Initiatives***

- ***The Main Source of Regulations***
- ***Publishes Magazines, Scientific Quarterly journals & English Bulletins***
- ***Interacts with Students and Researchers***
- ***Cooperates with Universities***
- ***Informs about New Products of Capital Market***
- ***Publishes Statistical Data***
- ***Holds off Introductory Training Courses (Familiarity with Stock Exchange)***
- ***Holds off National & International Seminars (International Course on Islamic Capital Market )***



# *Office of Professional Certificate Affairs* *(Result of Financial Literacy)*

In Order to Promote the Level of Analyze and Knowledge of Sophisticated Investors

To Determine Competency Standards Required for Participating in Capital Market

To Supervise Professionals' Activities & Determining Ethical Standards

To Make a Data Base of Professionals & Preparing Required Education for Them

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# Names of Certifications

- 1- Trading Derivatives
- 2- Trading in Commodities Market
- 3- Management of Capital Market Institutions
- 4- Analyzing Capital Market
- 5- Portfolio Management
- 6- Trading Financing Securities
- 7- Capital Market Principles
- 8- Valuation of Securities



# Suggestions

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Organizing educational Co-conferences in member countries

Designing a Network of Experts

Establishing an Information Data Base

Organizing a Secretariat for Education in COMCEC (To exchange experiences among member countries)